



# ***NEWS RELEASE***

## **PRESS OFFICE**

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## ***SBA TO PROVIDE DISASTER LOANS TO SMALL BUSINESSES IN ALASKA***

### ***Low-Interest Loans will Help Businesses Meet Challenges Caused by Salmon Fishing Failure***

**Anchorage, AK** – Aida Alvarez, Administrator of the U.S. Small Business Administration (SBA), yesterday declared parts of Alaska a disaster area due to the economic impact of the salmon fishing failure in the Norton Sound, Yukon and Kuskokwim River regions. This declaration makes low-interest SBA disaster loans available to small businesses including fishermen and other businesses dependent on the fishing economy.

SBA makes Economic Injury Disaster Loans (EIDLs) available when the Secretary of Commerce designates a fishing disaster under the Interjurisdictional Fisheries Act of 1986. Commerce Secretary Norman Y. Mineta approved a disaster designation for Alaska on August 3, 2000.

**“These small businesses are facing a challenge that no amount of planning could have prevented,”** said Administrator Alvarez. **“That’s why we’re pitching in to provide the credit that many of them will need to stay in business.”**

**“This loan program will help renew hope that small businesses in the Yukon, Norton Sound, and Kuskokwim River regions will survive this disaster,”** said Alaska Governor Tony Knowles. **“I’m thankful that the SBA has stepped in to help.”**

Small businesses may qualify for EIDLs of up to \$1.5 million to help meet financial obligations and operating expenses that could have been met had the disaster not occurred. Eligibility for these working capital loans is based on the financial impact of the disaster only, and not on any actual property damage. These loans have an interest rate of 4 percent, a maximum term of 30 years, and are restricted to businesses without the financial ability to offset the adverse impact. Borrowers with existing SBA loans should contact the office servicing their loan to request modifications of the terms of existing loans.

This year’s fishing failure is the second significant disaster to impact Alaska’s

fishing industry since 1997 when the El Niño weather pattern severely disrupted Alaska's fishing season.

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In response to that disaster, SBA approved more than \$31 million to small businesses that suffered financial hardship.

The EIDLs help small business owners cover fixed debts, payroll, accounts payable, and other bills that can't be paid because of the disaster's impact. Because this disaster assistance is in the form of loans, applicants must show the ability to repay all loans.

The declared areas are:

### Regional Educational Attendance Areas

Alaska Gateway  
Bering Strait  
Iditarod  
Kashunamiut  
Kuspuk  
Lower Kuskokwim  
Lower Yukon  
Yukon Flats  
Yukon-Koyukuk  
Yupiit

### Boroughs

Bristol Bay  
Denali  
Fairbanks North Star  
Kenai Peninsula  
Lake and Peninsula  
Matanuska-Susitna  
North Slope  
Northwest Arctic

The deadline to apply is May 9, 2001.

Information and application forms may be obtained by writing to **SBA at P.O. Box 13795, Sacramento, CA 95853-4795** or by calling **800-488-5323**. Hearing impaired individuals may call (916) 566-7388.

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*For more information on all of SBA's programs for small businesses, call the SBA Answer Desk at 1-800 U ASK SBA, or visit the SBA's extensive Web site at [www.sba.gov](http://www.sba.gov).*